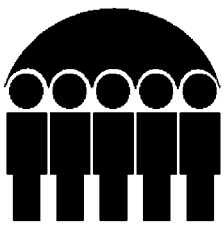
October 7, 1997

Employees' Manual
Title 11
Chapter C

CREDIT REPORTING



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OVERVIEW

Legal reference: 45 CFR 303.015, 441 IAC 95.12(252B)

"Credit reporting" is an enforcement tool which reports the amount of an obligor's IV-D delinquency to credit agencies (credit agencies are also called consumer reporting agencies or credit bureaus). This information goes on the obligor's credit history. The credit history is reviewed by banks and other lending institutions when considering the obligor for loans and credit. Some employers also review credit histories when making hiring decisions.

Note: The credit reporting process is largely automated. Workers become involved when either the obligor requests a credit reporting review, or a case is identified as one which should not be reported.

The process begins when ICAR runs an initial search looking for obligors who meet the credit reporting selection criteria. When an eligible obligor is identified, ICAR automatically places the obligor's balance in a batch file. The batch file generates a notice to inform the obligor that the obligor's support arrearages may be reported to the credit agencies. ICAR also activates the Credit Reporting Referral (CRREPORT) screen for the obligor.

The obligor has the opportunity to request a review of the obligor's eligibility for credit reporting before information is sent to the credit agencies. If the review leads to a decision that the obligor should not be reported, the obligor is removed from the credit reporting process.

If the obligor does not request a review, or the review leads to a decision to continue the credit reporting process, the obligor's IV-D balances from all of the obligor's active cases are combined into one report to the credit agencies.

Note: Only the obligor's IV-D balance is reported to credit agencies, and only the IV-D balance appears on the notice sent to the obligor. If the obligor has a 17 account type balance, this balance is not included in the amount reported to the credit agencies. This is especially important when the obligor asks how much of the balance must be paid for the obligor to avoid being reported to the credit agencies. Payments received could go to the 17 account balance before paying the obligor's IV-D arrearages.

When the credit reporting program calculates the arrearages for an obligor, and there is a reimbursement (RE) order on one or more of the obligor's cases, the program calculates the arrearage for the RE order based on the periodic payments due rather than the entire amount of the order.

Example:

> An obligor has one child support case on ICAR. The only obligation on the obligor's case is a reimbursement, or RE, order. The total amount ordered to be reimbursed to the state is $2,000.00. The order requires the obligor to pay $100.00 monthly for twenty months, starting August 1, 1996. It is now July 1, 1997. The obligor has failed to make any payments on the RE order.
>
> The entire RE order amount is $2,000.00. The credit reporting program does not calculate arrearages based on the entire RE amount. The program calculates arrearages based on the missed periodic payments from the first month's periodic payment (August 1, 1996) to the last month's periodic payment (June 1, 1997). The periodic payment for the current month (July 1997) is not included in the arrearages.
>
> In this example, the program calculates the arrearage on $100.00 for 11 months (August 1996 to June 1997). The arrearage for this obligor is $1,100.00. Since this arrearage is over $1,000.00, this obligor is eligible for credit reporting, and is sent a credit reporting notice in July 1997.

The obligor's balance is updated with the credit agencies every month. The balance remains on the obligor's credit history as a delinquency until it is brought current.

Note: When the obligor pays all of the arrearages reported to the credit agencies, ICAR sends a zero balance to the credit agencies. If the obligor is removed from credit reporting for other reasons after being reported, ICAR also sends a zero balance. This means that there is no longer a record showing a delinquency for child support on the obligor's credit report. However, under federal consumer protection laws, the credit agencies may keep a history of past debts for up to seven years after the debt was first accrued.

This chapter covers the credit reporting process, from the initial search to removing the obligor's name from reporting. The following are topics covered by this chapter:

- Initial Search (Notification)
- Credit Reporting Referral Screen (CRREPORT)
- Notice to the Obligor
- Request for Review
- Second Search (Certification/Update)
- Certification to Credit Agencies
- Removing the Obligor from Reporting
- Universal Data Form
- Credit Reporting Sources

INITIAL SEARCH (NOTIFICATION)

On the second Friday of each month, ICAR searches for obligors whose cases match the credit reporting criteria and who have no existing credit reporting balance (the CRREPORT screen is blank). The criteria for the initial search are:

- There is a IV-D balance (account types: 10, 11, 12, 13, 14, 15, 16 or 18) on the BALANCE screen.
- The case status is active (A) on the CASE screen.
- The obligor's IV-D delinquencies add up to more than $1,000.
- There is a currently or previously verified address on ICAR for the obligor.
- There is a social security number on ICAR for the obligor.
- The bankruptcy flag on the PAYOR screen is blank or "N."
- The DECEASED field on the PAYOR screen is blank or "N."
- The DO NOT CERTIFY field on the CRREPORT screen is blank.

Credit Reporting Referral Screen (CRREPORT)

The Credit Reporting Referral (CRREPORT) screen is activated when a credit reporting notice is generated for an obligor (see **NOTICE TO THE OBLIGOR**). The CRREPORT screen displays information about the credit reporting process for the obligor. This screen displays data by obligor rather than by case, so all information is displayed for all of the obligor's cases with the same social security number.

Information displayed on this screen includes:

- The date that a credit reporting notice is sent to an obligor.
- The date that the obligor's information is sent to the credit agencies.
- Whether the process is on hold for a review.
- Credit reporting review tracking information.

Note: If a review has been held for an obligor in regard to one case, and the obligor later has another case added to ICAR, that new case causes a new notice to generate to the obligor, and the new case information is automatically added to the CRREPORT screen. Old review information is removed from the screen to reset for the new case. When an obligor is removed from credit reporting, the entire screen is deleted.

Example of the Credit Reporting Referral Screen:

```
D479HR70                    CHILD SUPPORT COLLECTION SYSTEM          DATE:  06/06/97
                              CREDIT REPORTING REFERRAL              TIME:  14:10:41
                                                                     PAGE:  1

CASE NUMBER:
NAME:                                          SSN:
RELEASE NOTICE DATE :                          DO NOT CERTIFY (Y)..... :
REVIEW REQUEST DATE:      (A/D)... :           SEND PREREVIEW LETTER (Y/R) .... :
REVIEW SET.....:          @..... :     M       REVIEW HELD (Y/N/R) ..... :

 CASE      ROLE      PRENOTIFY      SUSPEND      CERTIFY      INITIAL IV-D      BALANCE
                       DATE           DATE         DATE        --- DUE ---      -- DATE --

UPDATE=PF3,   DELETE=PF4,   INQ=PF5,   PAGE DOWN=PF7,   PAGE UP=PF8,   REFRESH=PF9
NEXT SCREEN:          NOTES:
PLEASE ENTER CASE NUMBER AND PRESS PF5
```

Note: The CRREPORT screen is protected by security group 7. A worker must have access to security group 7 to add or modify any information on this screen. For more information about on-line security see Procedural Directive # 97-02.

The fields on the CRREPORT screen are explained as they are used in the process. For more information on these fields, see **NOTICE TO THE OBLIGOR**, **REQUEST FOR REVIEW**, **SECOND SEARCH (CERTIFICATION/UPDATE)**, and **REMOVING THE OBLIGOR FROM REPORTING**.

NOTICE TO THE OBLIGOR

Legal reference: 441 IAC 95.12(2)

Every month, credit reporting notices are sent automatically to obligors whose IV-D arrearages are more than $1,000, and who meet the other credit reporting criteria discussed in **INITIAL SEARCH (NOTIFICATION)**. The notice tells the obligor:

- That the obligor is eligible to be reported to the credit agencies.
- The amount of the obligor's IV-D arrearages.
- What the obligor's rights are to a review. (For more information see **REQUEST FOR REVIEW**.)

When ICAR finds an obligor whose cases fit the initial search criteria, it puts that obligor's IV-D balance into a batch program with other eligible obligor balances. The batch program automatically generates form 470-2223, *Notice of Proposed Release to Consumer Reporting Agencies,* to the laser printer in the Hoover building. The notices are mailed out automatically by regular mail to the last known address of each obligor in the batch. ICAR records the generation of the notice on the CRREPORT screen.

- The RELEASE NOTICE DATE field displays the date that the credit reporting notice is generated. This is system-entered.
- The PRENOTIFY DATE field date appears on the credit reporting notice. The obligor's 15-day time period to request a review starts on this date. This is system-entered.
- The INITIAL IV-D DUE field displays the IV-D arrearage at the time the notice is generated. This amount appears on the notice. This amount is system-entered.
- The BALANCE DATE field displays the date that the credit reporting program calculated the IV-D arrearage. This is system-entered.

ICAR issues a narrative (CRA 3) to document that the *Notice of Release to Consumer Reporting Agencies* has been generated. ICAR also issues a calendar flag (CRA 2) to the workers on each of the obligor's cases, notifying them that the credit reporting notice has been sent.

Note: Hereafter, form 470-2223, *Notice of Release to Consumer Reporting Agencies,* is called "the credit reporting notice."

REQUEST FOR REVIEW

Legal reference: 45 CFR 303.015, 441 IAC 95.12(3)

Overview of Request for Review

The purpose of sending the obligor a notice before reporting the obligor is to give the obligor an opportunity to request a review of the obligor's eligibility to be reported. The obligor has the right to request a review of issues related to credit reporting within 15 days of the date on the credit reporting notice. (This date appears in the PRENOTIFY DATE field on the CRREPORT screen.) If this request is received after the 15-day limit, the obligor has no right to a review and the balance may be sent to the credit agencies.

If the obligor documents a mistake of fact affecting the obligor's balance before the obligor's balance has certified, but after the time period for review has passed, accept the information.

A mistake of fact for credit reporting review means:

- A mistake in the identity of the obligor.
- A mistake in the balance to be reported. (If the actual balance is below $1,000.00, it is appropriate to stop the process. If the balance is still above $1,000.00 the balance must be corrected, but the obligor will still be reported.)
- A mistake in finding the obligor otherwise eligible under the credit reporting criteria (for instance, the obligor may have filed for bankruptcy).

If the obligor does not meet the credit reporting criteria, send the obligor form 470-3229, *Prereview of Proposed Release to Consumer Reporting Agencies.* This form tells the obligor that the obligor will not be reported to credit agencies and the reasons why (as listed above). For information about removing the obligor from credit reporting, see **REMOVING THE OBLIGOR FROM REPORTING**.

To send form 470-3229, *Prereview of Proposed Release to Consumer Reporting Agencies*, enter a "Y" in the SEND PREREVIEW LETTER field on the CRREPORT screen. ICAR displays the form for you to complete and generate. The form generates to your local printer. Send it to the obligor by regular mail.

You do not have to grant or conduct a review in order to remove the obligor from the credit reporting process.

Note: If at any time you discover that there is a mistake of fact, and that the obligor is not eligible for the credit reporting process, remove the obligor from the credit reporting process. For information about removing the obligor from credit reporting, see **REMOVING THE OBLIGOR FROM REPORTING**.

Review Request Denied

If the obligor requests a review after the 15-day time period for requesting a review has passed, you may deny the request for review.

To deny a request for review, enter the current date and a "D" in the REVIEW REQUEST RECEIVED field on the CRREPORT screen. ICAR will not allow an entry of "D" in this field unless the current date is at least 16 days after the date in the PRENOTIFY DATE field.

When you successfully enter a "D" in the REVIEW REQUEST RECEIVED field, ICAR issues a narrative (CRA 12) documenting the review request, and that the request is denied because the 15-day time period is past.

ICAR displays form 470-3235, *Denial of Request for Review of Proposed Release to Consumer Reporting Agencies*, for you to complete and generate.

The denial form tells the obligor:

- That the request for a review has been denied,
- That the obligor may still submit information to adjust the obligor's balance, and
- The date by which the obligor must submit information or payments to change the balance reported or avoid being reported.

Note: If the obligor submits valid information which excludes the obligor from credit reporting at any time, remove the obligor from the credit reporting process. For information about removing an obligor from credit reporting see **REMOVING THE OBLIGOR FROM REPORTING**.

Review Request Accepted

When an obligor requests a credit reporting review within 15 days of the date in the PRENOTIFY DATE field on the CRREPORT screen, you must grant a review. Record the request for review on the CRREPORT screen by entering the current date (mm/dd/ccyy) and an "A" in the REVIEW REQUEST DATE: (A/D): field. ICAR issues a narrative (CRA 11) documenting the review request.

Note: If no entry is made in the review request date field before the 15-day period is past, ICAR issues a calendar flag (CRA 3) prompting you to check for a response from the obligor. This flag exists to make sure a response is not missed before the obligor's time to respond has expired.

Also enter the current date (mm/dd/ccyy) in the SUSPEND DATE field. This puts the credit reporting process on hold during the review. If you try to update the CRREPORT screen with an "A" in the REVIEW REQUEST DATE field but leave the SUSPEND DATE field blank, ICAR enters the current date in the SUSPEND DATE field.

When the current date is entered in the SUSPEND DATE field, ICAR issues a narrative (CRA 1) documenting the suspension of the obligor's balance from credit reporting. If you leave a balance in suspend for credit reporting for more than 30 days, ICAR issues a calendar flag (CRA 3) asking you to review the case.

When you accept an obligor's request for review, you must schedule a review time. The review may be held in person, over the telephone or through correspondence. The obligor may choose any of these options. If the obligor does not indicate an option in the request for review, contact the obligor and offer the options.

Record the scheduled time and date for the review on the CRREPORT screen. Enter the scheduled date (mm/dd/ccyy) and time (00:00 A or PM) in the REVIEW SET field. ICAR issues a narrative (CRA 13) documenting the date and time for which the review is scheduled.

ICAR displays form 470-2850, *Scheduled Review of Proposed Release to Consumer Reporting Agencies*, for you to complete and generate.

This form tells the obligor when and where the review is to be held, and by what method (i.e., face to face or over the telephone). It also gives information about the obligations on which the balance is based. Form 470-2850 generates to your local printer.

Also generate a certified payrecord for each of the obligor's cases which are included in calculating the credit reporting balance. To generate a certified payrecord, enter PAYREC at the NEXT SCREEN prompt on any ICAR screen. On the PAYREC screen, leave the YEAR field blank and press PF9 once to print the entire record.

Send both form 470-2850 and the certified payrecord to the obligor by regular mail.

Review Issues

Issues discussed in a credit reporting review are limited to mistakes of fact. Remove the obligor from the credit reporting process if:

- There is a mistake of identity,
- There is a mistake in the balance to be reported, or
- The obligor does not otherwise meet the credit reporting criteria.

No other issues are discussed at the credit reporting review.

Results of the Credit Reporting Review

The credit reporting review may result in any of the following outcomes:

- The obligor may prove a mistake of fact which makes the obligor ineligible for credit reporting.
- The obligor may fail to prove a mistake of fact.
- The obligor may fail to appear at the review.
- The obligor may ask to reschedule the review.

Whenever a credit reporting review is held, rescheduled, or not held because the obligor fails to appear, you are required to send the obligor a notice, form 470-3228, *Consumer Reporting Review Decision*, documenting the outcome. For use of form 470-3228, see **Obligor Ineligible for Credit Reporting**, **Credit Reporting Process Continues**, **Obligor Fails to Attend Review**, and **Obligor Asks to Reschedule Review**.

Obligor Ineligible for Credit Reporting

During the credit reporting review, the obligor may provide proof of a mistake of fact which makes the obligor ineligible for credit reporting. A mistake of fact includes:

- A mistake in the obligor's identity.
- An error in the amount of arrearages owed which makes the obligor's balance less than the credit reporting threshold amount (over $1,000).

If the obligor provides proof of a mistake of fact during the review, record that the review was held by entering a "Y" in the REVIEW HELD field on the CRREPORT screen.

ICAR:

- Issues a narrative (CRA 15) documenting that the review was held.
- Displays form 470-3228, *Consumer Reporting Review Decision*, for you to complete and generate.

  This form notifies the obligor of your decision that the obligor's balance will not be reported to the credit agencies. The form is generated to your local printer. Send it to the obligor through regular mail, or if you generate it while the obligor is still in your office for the review, sign it, make a copy and give the original to the obligor.

Once the *Consumer Reporting Review Decision* is generated, and changes are made to the obligor's case to reflect the information provided by the obligor, end the credit reporting process. For information on ending the process, see **REMOVING THE OBLIGOR FROM CREDIT REPORTING**.

Credit Reporting Process Continues

During the credit reporting review, the obligor may fail to prove a mistake of fact. If the obligor does not prove a mistake of fact, record that the review was held by entering a "Y" in the REVIEW HELD field on the CRREPORT screen.

ICAR:

- Issues a narrative (CRA 15) documenting that the review was held.
- Displays form 470-3228, *Consumer Reporting Review Decision*, for you to complete and generate.

  This form notifies the obligor of your decision that the obligor's IV-D balance will be reported to the credit agencies. The form is generated to your local printer. Send it to the obligor through regular mail, or if you generate it while the obligor is still in your office for the review, sign it, make a copy and give the original to the obligor.

Remove the date in the SUSPEND field on the CRREPORT screen by spacing through it and press PF3 twice to modify the CRREPORT screen. The obligor's balance is eligible to be certified to the credit agencies. ICAR issues a narrative (CRA 2) to document the removal of the obligor's balance from credit reporting suspension.

Obligor Fails to Attend Review

If the obligor fails to attend the review and does not contact you to reschedule the review, enter an "N" in the REVIEW HELD field on the CRREPORT screen.

ICAR:

- Issues a narrative (CRA 16) to document that the review was not held.
- Displays form 470-3228, *Consumer Reporting Review Decision*, for you to complete and generate.

  This form notifies the obligor that because of the obligor's failure to attend the review, the obligor will be reported to credit agencies. The form is generated to your local printer. Send it to the obligor through regular mail.

Remove the date in the SUSPEND field on the CRREPORT screen by spacing through it and press PF3 twice to modify the CRREPORT screen. The obligor's balance is eligible to be certified to the credit agencies. ICAR issues a narrative (CRA 2) to document the removal of the obligor's balance from credit reporting suspension.

Obligor Asks to Reschedule Review

The obligor may ask to have the review rescheduled rather than attending the review. The obligor has the right to have the review rescheduled once, although you have the discretion to reschedule the review more than once if it is reasonable to do so.

If the obligor asks to have the review rescheduled, enter an "R" in the REVIEW HELD field on the CRREPORT screen and record the rescheduled date and time in the REVIEW SET field.

ICAR:

- Issues a narrative (CRA 14) to document that the review is rescheduled.
- Displays form 470-2850, *Scheduled Review of Proposed Release to Consumer Reporting Agencies*, for you to complete and generate.

  This form tells the obligor when and where the rescheduled review is to be held, and by what method (i.e., face to face or over the telephone). It also gives information about the obligations on which the balance is based.

Form 470-2850 generates to your local printer. Send it to the obligor by regular mail.

SECOND SEARCH (CERTIFICATION/UPDATE)

ICAR makes a second search on the third Friday of the next month. This search is for cases already in the credit reporting program which must be updated, and for cases from the previous month's initial search for which balances are sent to the credit agencies for the first time.

The balances of obligors who match the second search criteria are compiled into tapes which are sent to the credit agencies. These tapes are sent to the credit agencies every month.

Note: There is an exception to the monthly update. ICAR skips February in the monthly updates. There is no update from the third Friday in January until the third Friday in March.

Due to mailing time and the time needed by credit agencies to process information, there is a lag between the time that the monthly tape is sent to the credit agencies and the time that the information appears on an obligor's credit history. A monthly update sent from ICAR may not appear on an obligor's credit history until several weeks later.

Certification to Credit Agencies

"Certification" refers to the first time that an obligor's IV-D balances are sent to the credit agencies. This first report is automatically recorded on the CRREPORT screen in the CERTIFY DATE field. ICAR also issues a narrative (CRA 5) to document the certification of the obligor's IV-D balance to the credit agencies.

Once an obligor's IV-D balance is certified to the credit agencies, it continues to be updated monthly as previously described until the obligor has no IV-D arrearage or otherwise becomes ineligible for credit reporting.

Having an obligor's IV-D balance certified to the credit agencies means that child support arrearages appear on the obligor's credit history. This may affect the obligor's eligibility to receive loans or credit.

REMOVING THE OBLIGOR FROM REPORTING

Removing the obligor from credit reporting causes the process to end, either temporarily or permanently. There are three different ways to remove the obligor from credit reporting. The removal method you use depends on what point you are at in the process, the reason for the removal, and whether the removal is meant to be permanent.

The three ways to remove an obligor from credit reporting are:

- Deleting the Credit Reporting Balance
- Use of the Do Not Certify Field
- Automatic Removal

Note: When the obligor pays all of the arrearages reported to the credit agencies, ICAR sends a zero balance to the credit agencies. If the obligor is removed from credit reporting for other reasons after being reported, ICAR also sends a zero balance. This means that there is no longer a record showing a delinquency for child support on the obligor's credit report. However, under federal consumer protection laws, the credit agencies may keep a history of past debts for up to seven years after the debt was first accrued.

Deleting the Credit Reporting Balance

The first way to remove an obligor from credit reporting is by deleting the credit reporting balance (the information on the credit reporting screen).

Delete an obligor's balance from credit reporting when **all** of the following criteria are met:

- The obligor should not currently be reported to credit agencies because the obligor's true IV-D balance is not over $1,000, or the obligor does not otherwise meet credit reporting criteria.
- The balance will not be deleted automatically (automatic deletion is explained in **Automatic Removal**) before the next cycle of the certification program.
- The obligor has been sent a credit reporting notice, but the obligor's balance has not yet been reported to the credit agencies because the certification program has not yet run.
- The condition that made the program notify the obligor in error can be corrected before the next cycle of the notice program.

If all of these criteria are met, when you delete the obligor's balance from credit reporting the obligor will be available for selection by the notice program if the obligor becomes eligible for credit reporting in the future.

Example:

> There is a balance error which is correctable, but the correction will not happen until after ICAR sends obligor balances for certification. If the credit reporting balance is deleted, the balance will not certify, and the balance will be corrected before ICAR initiates the next search to notice obligors.

There are two ways to delete an obligor's balance from credit reporting. The balance can be deleted by:

- Spacing through the date in the PRENOTIFY DATE field and pressing PF3 twice, or
- Using the PF4 key.

ICAR issues a narrative (CRA 7) documenting that the obligor's credit reporting balance has been deleted.

Use of the Do Not Certify Field

The second way to remove an obligor from credit reporting is through the DO NOT CERTIFY field on the CRREPORT screen. The DO NOT CERTIFY field is used only in very narrow circumstances.

Before you use this field, **all** of the following conditions must exist:

- The obligor must not be reported to credit agencies.
- The case will not be removed from credit reporting automatically.
- If the credit reporting balance is deleted, it is likely that the obligor will be renoticed.
- The condition that makes the obligor ineligible for credit reporting is permanent or of uncertain duration.

Examples:

- There are accounting problems that can only be corrected through special handling.
- The balance has been certified to the credit agencies and the worker receives proof that the obligor is deceased.

ICAR issues a narrative (CRA 10) whenever a "Y" is entered in the DO NOT CERTIFY field. If the "Y" is removed from the DO NOT CERTIFY field, ICAR issues a narrative (CRA 17) documenting that the case is eligible for the credit reporting program.

Before Notification

The DO NOT CERTIFY field is the only part of the CRREPORT screen which is active **before** a notice is sent. (The PRENOTIFY DATE and RELEASE NOTICE DATE fields on the CRREPORT screen are blank.) Enter a "Y" in this field before the obligor has been noticed when:

- The obligor apparently meets all credit reporting criteria, and
- There are accounting problems that can only be corrected through special handling, or the obligor is deceased.

Note: You are not expected to look for these cases, but this gives you an option in case you happen to be aware of this situation.

After Notification

When you enter a "Y" in the DO NOT CERTIFY field after the obligor has been noticed for credit reporting (there are dates in the PRENOTIFY DATE and RELEASE NOTICE DATE fields on the CRREPORT screen), ICAR records the "Y" and deletes the rest of the CRREPORT screen. If in the future the "Y" is removed from the DO NOT CERTIFY field, the obligor's balance will be part of the possible credit reporting selection pool again.

After Certification

When you enter a "Y" in the DO NOT CERTIFY field after the obligor has been certified to the credit agencies, ICAR records the "Y" and deletes the rest of the CRREPORT screen, and sends a zero balance to remove the obligor from the credit agencies' delinquent records. If in the future the "Y" is removed from the DO NOT CERTIFY field, the obligor's balance will be part of the possible credit reporting selection pool again.

Automatic Removal

There are times when ICAR automatically removes obligors from credit reporting.

Before Certification

After the obligor is sent a notice and before ICAR certifies the obligor's balance to the credit agencies, it runs the balance through the credit reporting criteria a second time. If a balance no longer matches the credit reporting criteria, ICAR deletes the CRREPORT screen and issues a narrative (CRA 4) explaining the deletion.

After Certification

When an obligor whose balance was certified to the credit agencies pays down the IV-D arrearages on all of the obligor's cases to zero, ICAR sends a zero balance for that obligor to the credit agencies in the monthly update. ICAR also deletes the CRREPORT balance for the obligor. ICAR issues a narrative (CRA 6) to record the deletion and the zero balance.

Bankruptcy

When ICAR runs the program to certify and update cases to the credit agencies, it automatically removes the balance of an obligor who has filed for bankruptcy. (The BANKRUPTCY field on the PAYOR screen is "Y.")

ICAR issues two bankruptcy narratives to document the removal of an obligor's balances from credit reporting because of bankruptcy. One narrative (CRA 8) issues when the obligor files for bankruptcy after having been sent the credit reporting notice, but before the obligor's balance has been certified. The other narrative (CRA 9) issues when the obligor files for bankruptcy after the balance has been certified to the credit agencies.

Obligor Deceased

When ICAR runs the program to certify and update cases to the credit agencies, it automatically removes the balance of an obligor who is deceased. (The DECEASED field on the PAYOR screen is "Y.") ICAR issues a narrative (CRA 18) to document the automatic removal of an obligor's balance from credit reporting when the deceased flag is activated after the credit reporting notice is sent, but before the obligor's balance has been certified.

If you receive proof that the obligor is deceased after the obligor's balance has been certified to the credit agencies, remove the obligor's record from credit reporting with the DO NOT CERTIFY field. For more information, see **Use of the Do Not Certify Field**.

UNIVERSAL DATA FORM

The *Universal Data Form* is given to the Bureau by the credit agencies to correct information on case balances. The form is sent to the credit agencies from central office when an obligor has been reported in error and the case requires special handling because of accounting problems. **This form has limited use.** In most cases, the automated cycle is the appropriate method of updating information.

Note: Though use of the *Universal Data Form* may get information from CSRU to the credit agencies faster than the monthly cycle, there is no guarantee as to how quickly the credit agencies process the information once they have received it. We have no control over credit agency procedures and practices. An obligor who wants the information changed right away should be made aware of this caveat.

Note: If a lending institution has an authorization form from the obligor for balance information, you may release information about the obligor's balance to the lending institution. For more information about releasing confidential information to a third party, see Employees' Manual 9-A.

CREDIT REPORTING SOURCES

Sometimes an obligor requests the removal of child support information from the obligor's credit history. Our balances show that either CSRU has never reported the obligor, or that the credit agencies were sent a zero balance for the obligor's record long before the obligor's request. This may be the result of a problem with the credit reporting program. However, it may be that the information came from a source other than CSRU.

When an obligor asks to have information removed, and it does not appear that the information came from ICAR, obtain the following information from the obligor:

- Which credit agency has the information listed?
- What does the entry on the credit history say (specifically)?
- What are the dates for the information?

Send this information to central office for further research. Let the obligor know that the problem is being researched. Also make the obligor aware that child support information may come from these sources:

- Other states reporting the same obligations.
- Clerk of court records obtained directly by the credit reporting agencies which may or may not have been updated while payments were being sent to the Collections Services Center.

Once the problem has been researched at central office, the results are sent back to you. If the problem is with ICAR, central office sends a *Universal Data Form* to the credit agencies to update the obligor's balance. For more information, see **UNIVERSAL DATA FORM**.

NARRATIVES

Process: **CRA** Number: **1**

Text: Case suspended for the purpose of referral to consumer reporting agencies. Other cases suspended:

Screen:	Field:	Entry:	Flag:	Status:
CRREPORT	SUSPEND DATE		3, 4	

Process: **CRA** Number: **2**

Text: Case removed from suspension for the purpose of referral to consumer reporting agencies. Other cases removed from suspension:

Screen:	Field:	Entry:	Flag:	Status:
CRREPORT	SUSPEND DATE	Deletion of entry		

Process: **CRA** Number: **3**

Text: *Notification of Intent to Refer to Consumer Reporting Agency* (form # 470-2223) sent to noncustodial parent. Other cases referred:

Screen:	Field:	Entry:	Flag:	Status:
CRREPORT	PRENOTIFY DATE		2	

Process: **CRA** Number: **4**

Text: Case is no longer valid. Case has been deleted from file provided to consumer reporting agencies through automated process. Other cases deleted:

Screen:	Field:	Entry:	Flag:	Status:
CRREPORT	BATCH PROCESS			

Process: **CRA** Number: **5**

Text: Case referred to consumer reporting agency through automated process. Other cases referred:

Screen:	Field:	Entry:	Flag:	Status:
CRREPORT	CERTIFY DATE			

Process: **CRA** Number: **6**

Text: IV-D balance is 0. Case is no longer valid. Case has been deleted from file provided to consumer reporting agencies through automated process. Other cases deleted:

Screen:	Field:	Entry:	Flag:	Status:
CRREPORT	BATCH PROGRAM			

Process: **CRA** Number: **7**

Text: Case deleted for the purpose of referral to consumer credit reporting agencies. Other cases removed:

Screen:	Field:	Entry:	Flag:	Status:
CRREPORT	PRENOTIFY DATE	Deletion of entry		

Process: **CRA** Number: **8**

Text: Payor has filed for bankruptcy. Referral to credit reporting agency through automated process will not be done.

Screen:	Field:	Entry:	Flag:	Status:
CRREPORT	BATCH PROGRAM			

Process: **CRA** Number: **9**

Text: Payor has filed for bankruptcy. Payor name has been removed from file provided to consumer reporting agencies through automated process.

Screen:	Field:	Entry:	Flag:	Status:
CRREPORT	BATCH PROGRAM			

Process: **CRA** Number: **10**

Text: Case will not be certified to consumer reporting agencies. Other cases not certified:

Screen:	Field:	Entry:	Flag:	Status:
CRREPORT	DO NOT CERTIFY	Y		

Process: **CRA** Number: **11**

Text: Obligor has requested credit reporting referral review. Request received: (worker-entered date)

Screen:	Field:	Entry:	Flag:	Status:
CRREPORT	REVIEW REQUEST DATE			

Process: **CRA** Number: **12**

Text: Request for credit reporting review received: (system-entered date) Request for credit reporting review denied as the 15-day period for requesting a review has lapsed.

Screen:	Field:	Entry:	Flag:	Status:
CRREPORT	(A/D)	D		

Process: **CRA** Number: **13**

Text: CRA review scheduled for (system-entered date) at (system-entered time)

Screen:	Field:	Entry:	Flag:	Status:
CRREPORT	REVIEW SET			

Process: **CRA** Number: **14**

Text: CRA review rescheduled for (system-entered date) at (system-entered time)

Screen:	Field:	Entry:	Flag:	Status:
CRREPORT	REVIEW HELD	R		

Process: **CRA** Number: **15**

Text: CRA review held on (system-entered date) at (system-entered time)

Screen:	Field:	Entry:	Flag:	Status:
CRREPORT	REVIEW HELD	Y		

Process: **CRA** Number: **16**

Text: CRA review not held as scheduled.

Screen:	Field:	Entry:	Flag:	Status:
CRREPORT	REVIEW HELD	N		

Process: **CRA** Number: **17**

Text: Do Not Certify has been removed from CRREPORT. Case can be reported to consumer reporting agencies. Other cases reportable:

Screen:	Field:	Entry:	Flag:	Status:
CRREPORT	DO NOT CERTIFY	Deletion of entry		

Process: **CRA** Number: **18**

Text: Case removed from credit reporting; payor deceased.

Screen:	Field:	Entry:	Flag:	Status:
CRREPORT	BATCH PROGRAM			

CALENDAR FLAGS

Process: **CRA** Number: **2**

Text: *Proposed Notice of Release to Consumer Reporting Agencies* sent to obligor.

Screen:	Field:	Entry:	Narrative:	Status:
CRREPORT	PRENOTIFY DATE		3	

Process: **CRA** Number: **3**

Text: 15-day period for request of CRA review has lapsed. Check case for obligor's response to CRA notice.

Screen:	Field:	Entry:	Narrative:	Status:
CRREPORT	BATCH PROGRAM		1	

Process: **CRA** Number: **4**

Text: Case is still suspended from credit reporting. Please review.

Screen:	Field:	Entry:	Narrative:	Status:
CRREPORT	SUSPEND DATE		1	

STATE OF IOWA
TERRY E. BRANSTAD, GOVERNOR
DEPARTMENT OF HUMAN SERVICES
CHARLES M. PALMER, DIRECTOR

October 7, 1997

GENERAL LETTER NO. 11-C-1

ISSUED BY: Bureau of Collections, Division of Policy Coordination

SUBJECT: Employees' Manual, Title 11, Chapter C, ***Credit Reporting***, Title page, new; Contents (pages 1 and 2), new; and pages 1 through 22, new.

Summary

This chapter provides written direction on the use of the enforcement credit reporting process, and explains:

- The automated notice and reporting process.
- The obligor's right to a review.
- The credit reporting review process.
- How to end the credit reporting process.

Effective Date

Immediately.

Material Superseded

None.

Additional Information

Refer questions about this general letter to your regional administrator.